CALIFORNIA DEPARTMENT OF AGING

CENTERS FOR MEDICARE & MEDICAID SERVICES

STATE HEALTH INSURANCE ASSISTANCE PROGRAM

2005

GRANT APPLICATION

GRANT NO. 11-P—20196/9-13

FEBRUARY 18, 2005

EXECUTIVE SUMMARY

During the 2005 grant period, California's State Health Insurance Assistance Program (SHIP), known in California as the **Health Insurance Counseling and Advocacy Program (HICAP)**, will continue to provide counseling and assistance to eligible individuals through a collaborative partnership among the California Department of Aging (CDA), Centers for Medicare and Medicaid Services (CMS), Area Agencies on Aging (AAA), local HICAP providers, and many other partners and stakeholders.[1] The rollout of the Medicare Modernization Act (MMA) of 2003 and the preparation for Part D prescription drug benefit enrollment are obviously the biggest 2005 challenges to all SHIPs throughout the country, including CDA's HICAP.

In order to fulfill this year's goals and objectives, we will re-emphasize the importance of qualitative counseling and provide MMA Part D prescription drug benefits training in preparation for Part D implementation on January 1, 2006. We will be launching a statewide campaign to recruit more volunteer and paid Counselors and focus on recruiting Counselors from their own hard-to-reach communities to open access channels to these communities. We will investigate the availability and application of new technologies and expand the use of these technologies to support our Counselors in the field and to increase access to Internet tools. We will train Counselors on the use of the Internet and improve the conditions for using computers and Internet connections in more locations

[1] For this grant application, HICAP and SHIP are synonymous names for essentially the same program.

throughout the State, especially in hard-to-reach communities. All of these activities will be done with the timely implementation of Part D in mind.

HICAP is a member of the California Medicare Coalition (CMC), which is coordinating the efforts of many different agencies and community-based organizations on MMA implementation issues. CDA will also continue to work closely with the AAA HICAP providers, and others to review and revise the HICAP training curriculum to meet today's new environment, disseminate information via the electronic media, and provide training to HICAP staff and volunteers using a combination of regional and Internet techniques.

Local HICAP staff and volunteers will target information dissemination and community education presentations to rural areas and communities in which there is a higher proportion of low-income individuals and persons with limited English fluency. In addition, CDA and the HICAP network will work closely with CMS and coordinate services with the Social Security Administration (SSA), the California Department of Insurance (CDI), the California Department of Managed Health Care (DMHC), the California Department of Health Services (DHS), California's HICAP Association – California Health Advocates (CHA), and others to support timely information sharing and action on beneficiary issues. California's HICAP will place particular attention on enhancing its ability to respond to the information, counseling and assistance needs of consumers as they relate to long-term care and the Medicare prescription drug benefit, as well as all other responsibilities under State law.

Program Goals and Objectives

Program Goals and Objectives for 2005 Grant Period

For the 2005 federal SHIP grant period, CDA will formulate strategies, goals, and objectives combining the responsibilities under State law and federal grant requirements. These Goals and Objectives are interwoven throughout this grant application and are defined as follows:

Goal 1 Counseling: Counsel California's Medicare beneficiaries and those imminent of being eligible for Medicare on the subjects of Medicare (with special emphasis on Part D prescription drug benefits), Medicare supplement insurance (Medigap insurance), Long-Term Care insurance, managed care, and health insurance plans in general.

Objective 1.1: Provide counseling to a greater number of individual beneficiaries unable to access other channels of information or needing and preferring locally-based individual counseling services.

Objective 1.2: Increase the Counselor workforce. Add an Enrollment Specialist classification for enrollment assistance work under the supervision of Counselors.

Objective 1.3: Conduct a recruitment campaign to increase the number of Counselors representing various cultural and ethnic diversities. Train and certify all volunteer HICAP counselors to: (1) understand diverse cultures; (2) understand barriers facing ethnicities that inhibit their use of traditional services; and (3) help resolve the stigma associated with seeking information through traditional means.

Objective 1.4: Prepare HICAP Counselors for conducting Medicare Part D enrollment assistance and equip them to be proficient as it relates to the subject matter. Evaluate the additional demands and duties placed on Counselors and identify ways to increase support in order to maintain and increase the workforce.

Goal 2 Outreach: Conduct effective community outreach throughout California to inform Medicare beneficiaries and those imminent of Medicare eligibility so that individuals eligible for service and assistance will take advantage of that service and assistance.

Objective 2.1: Increase our targeted outreach efforts in order to improve access to counseling services by low-income, dual-eligible, and other hard-to-reach populations.

Objective 2.2: To develop a statewide program for AAAs and local HICAP providers to cooperate in using up to 35 Info Vans around the State for outreach and educational purposes in remote locations and to assist in reaching more hard-to-reach Medicare populations.

Goal 3 Community Education: Educate more people on the new MMA and Part D benefits and reach more underserved hard-to-reach populations with this information.

Objective 3.1: Increase community education presentations in a Statewide effort to improve the public's knowledge of Medicare and Part D prescription drug benefit programs.

Objective 3.2: Tailor additional community education presentations specifically to hard-to-reach populations using CMS Location, Literacy, Language, and Cultural (LLLC) strategies.

Goal 4 Quality Assurance and Improved Training**:** Continually improve the quality of HICAP counseling and educational services in California through improved training and evaluation, using technologies to the greatest extent possible.

Objective 4.1: Increase local and State participation in CMS policy discussions and conduct activities to equip the Program for a rapidly changing counseling environment.

Objective 4.2: Measure and track how the environment is changing the Program's work and provide feedback recommendations from Counselors and Program Managers back through the State HICAP Office and CMS for modifications to procedures.

Objective 4.3: Implement the Long-Term Care Counseling Initiative under the recent CMS Supplemental Grant for LTC Counseling.

Goal 5 Legal Assistance**:**

Objective 5.1: Better measure the added value, outcomes, and uses of HICAP Legal Services and legal service referrals as it relates to Medicare and health insurance coverage.

Objective 5.2: Link HICAP Legal Services to new State Legal Services standards.

Purpose of Program

The purpose of California's HICAP is to provide Medicare beneficiaries, and those individuals imminent of becoming eligible for Medicare, with counseling and advocacy as to Medicare, private health insurance, and related health care coverage plans, on a statewide basis. This includes a federal emphasis on assisting beneficiaries enroll in Part D plans and in gaining access to plan coverage as protection against catastrophic prescription drug costs, with an emphasis on efforts to help low-income beneficiaries and hard-to-reach beneficiaries without prescription drug coverage.

Description of the Program

Program Description

California's HICAP is a statewide service by State law. All of California's 58 counties receive HICAP services through 26 local HICAP contracts administered by 24 Program Managers, two of whom administer two contracts each. HICAP offices are located in a variety of non-profit and county organizations including AAAs, senior legal services agencies, and senior advocacy services agencies. HICAP Counselors may be reached during normal business hours from anywhere in the State by calling the statewide HICAP toll-free telephone number, **1-800-434-0222**. The toll-free number automatically routes clients to their local HICAP provider. Consumers needing HICAP services who contact CDA's statewide Information & Assistance (I&A) telephone number (1-800-510-2020) are also referred directly to their local HICAP for further

assistance. Local access to HICAP providers is another entry point in each community.

California HICAP providers, whether operated directly by a AAA or by a non-profit subcontractor, adhere to the HICAP Scope of Work and Assurances in their HICAP master contract. HICAP Counselors are trained to provide information and counseling in the following content areas: 1) Medicare eligibility, benefits and claims filing; 2) General information on Medi-Cal eligibility; 3) Medicare Supplemental Insurance comparison information and claims filing; 4) Medicare Advantage options; 5) Long-Term Care financing information; 6) Employer Group and Association Group Insurance; 7) Prescription Drug and Assistance Programs (PDAP); and 8) Medicare savings programs. These subjects will be revised and expanded to meet new MMA provisions.

State-registered HICAP Counselors are available for in-person appointments as needed. Counselors are often available at certain times in community-based organizations for walk-in consultations. Consumers can arrange to meet with a Counselor at the HICAP office or at a satellite location, such as a public library or senior center near their home. HICAP Counselors are also trained to handle quick non-counseling telephone calls requiring referral to other agencies or requests for just basic Medicare or health insurance information. More in-depth phone counseling can be arranged for persons unable to come to a HICAP site for face-to-face counseling or home visits can be arranged for homebound individuals.

In accordance with provisions of the Older Californians Act [Welfare and Institutions Code, Section 9000, et seq.], CDA contracts with California's 33 AAAs for local operation and administration of Older Americans Act and Older Californians Act programs and services, including local HICAP programs. The duties of AAAs focus on such issues as re-procurement of service contracts; daily management of the local HICAP contract, including contract oversight and monitoring; fiscal and utilization data reporting; and fiscal oversight for each local program.

AAAs review, approve, and monitor subcontractor budgets, expenditures and Program Operating Plans of the subcontractor. Training, support, and technical assistance are provided to the subcontractor as needed. The AAA assures local Program Managers and/or designated representatives attend all CDA-sponsored HICAP training sessions or conferences conducted during each fiscal year, in order to maintain program knowledge, efficiency, and competency. The AAA annually monitors, evaluates, and documents subcontractor performance and compliance with the agreement.

To ensure assistance and service access for beneficiaries, local HICAP subcontractors recruit and maintain a strong, well-trained cadre of volunteer Counselors, Long-Term Care Counselors, Long-Term Care Community Educators, and General Community Educators. The local contractor provides HICAP counseling, informal advocacy, education, and legal representation or legal referral to Medicare beneficiaries within the contracted service area. Clients are provided reasonable accommodation and access to HICAP by

guaranteeing telephone access during normal business hours. Community education is performed to inform the public about Medicare, Medicare supplement and long-term care insurance options, Medicare Advantage plans, and related health care plans. Instances of suspected misrepresentation in advertising or sales of services provided by Medicare Advantage plans, managed health care plans, and life and disability insurers and agents, are referred to DMHC and CMS. Program data collection and reporting systems are maintained as specified by CDA and CMS. When HICAP legal representation is also provided, it is under the direction of a Supervising Attorney who is trained in Medicare law and who is in good standing with the California Bar.

CDA retains the overall responsibility for setting and maintaining statewide policy, program standards, and for monitoring AAAs on an ongoing basis to ensure maintenance of those standards. CDA acts as a clearinghouse for information and materials relating to Medicare, managed care, health and long-term care related insurance, and health care coverage plans. The statewide responsibilities will increase with the implementation of Part D.

CDA oversees the registration of HICAP Counselors in accordance with California law requiring that no Counselor shall provide HICAP counseling unless she/he is registered with CDA and has met the minimum criteria required for Counselor registration.

Annual training conferences are coordinated by CDA for all HICAP Managers in order for the Program to receive the latest and most accurate information. Statewide Counselor training is provided by CDA which fulfills the

California requirement for Counselors to receive a minimum of 12 hours of additional training annually in order to maintain registered status.

Liaison responsibilities are maintained by CDA with CMS Region IX, CDI, DMHC, DHS California Partnership for Long-Term Care, and other relevant organizations. These State level liaison and policy development activities will increase with the implementation of Part D.

Program Performance Goals, Tasks, and Milestones

The 2005 performance goals, tasks, and milestones for HICAP are as follows:

TABLE 1: 2005 PERFORMANCE MEASURES

Program Goal No.	Program Objective No.	Tasks	Milestones	Milestone Dates
1	1.1	Increase counseling and enrollment assistance.	Increase in number of persons counseled who don't use usual access methods. New measure needed.	12/15/05
1	1.2	Increase workforce. Set up "Enrollment Specialist" classification.	Recruitment campaign to increase workforce by 50 percent in one year.	Begin 4/1/05, end 3/15/06
1	1.3	Conduct campaign to recruit, train, and certify culturally competent volunteer counselors.	1) Address cultural prohibitions against volunteerism. 2) Development of strategies to recruit individuals from diverse populations. 3) Development of web-based training modules to recruit culturally competent counselors. 4) Increase by 20 percent.	Begin 5/1/05 Begin 9/1/05 Begin 12/1/05 1/1/06

Program Goal No.	Program Objective No.	Tasks	Milestones	Milestone Dates
1	1.4	Enhance work force proficiency in MMA subjects.	Conduct State Part D training for all registered Counselors.	Completed by 7/31/05
1	1.4	Install examination and self-check survey on Part D on web site.	Develop exam. Install on web site.	8/15/05
2	2.1	Use a combined outreach campaign to increase Counselor recruitment while getting the word out.	Measure the number of additional Counselors after campaign ends.	8/15/05
2	2.2	Create a Statewide program to maximize the use of 35 AAA Info Vans for HICAP outreach purposes during the MMA implementation.	Measure the increased Info Vans usage frequency by HICAP Counselors to get into remote or isolated communities.	Fully operational by 7/1/05
3	3.1	Increase community education seminars on MMA and Part D.	Measure community education sessions percentage increase.	4/05 through 1/06
3	3.2	Tailor additional community education presentations for the hard-to-reach populations.	Measure number of MMA events and attendees in 12 months for 20 percent minimum increase. Compare to GIS maps on hard-to-reach populations.	From 5/05 through 5/06
4	4.1	Work closely with CMS to coordinate and rapidly shift resources to where needed.	Continue conference calls bi-monthly through 2005.	4/05 through 5/06
4	4.2	Equip program for rapidly changing environment Feedback from Counselors and Program Managers	Initiate electronic feedback mechanism HICAP E-Clearinghouse	Initiate by 4/1/05
4	4.2	Improve feedback from Medicare beneficiaries regarding benefits, problems, concerns, and recommended changes.	Work with CMS, SSA, and local HICAPs on single satisfaction survey instrument and allow feedback on web site.	Web surveys up and running by 8/1/05.
	4.3	Implement LTC Training Initiative from CMS LTC Grant.	See LTC Grant conditions.	6/05 through 3/06
5	5.1	Adopt new HICAP Legal Standards based on CDA Legal Services Standards.	Work with Legal Services Developer on educating attorneys on Standards.	8/05

Program Goal No.	Program Objective No.	Tasks	Milestones	Milestone Dates
5	5.2	Improve measures for HICAP Legal Services based on new CDA measures for Legal Services.	Work with Legal Services Developer on educating attorneys on Standards.	7/1/06
n/a	n/a	Automate HICAP 800 # to address out-of-State calls, cell phone calls, and error calls. Install auto-referral system.	Install automation at HICAP 800 # transfer point to speed referrals.	5/1/06
n/a	n/a	Assist local HICAPs in adding Internet access at high traffic counseling locations.	Work with HICAPs in identifying and installing necessary lines.	11/1/05
n/a	n/a	Adjust State and federal SHIP and HICAP logos and tag lines.	Complete when logos are combined and agreement made.	11/1/05
n/a	n/a	Fact Sheet Coordination	Complete when checked	11/1/05

Coordination, Referral, and Recommendation Processes

Coordination of Effort

Coordination of effort has become an increasingly complex task for HICAP since the passage of the 2003 MMA. More entities, with many obligations to CMS and similar outreach responsibilities as HICAP, have entered the environment. In one sense the system is in jeopardy of increased fragmentation and in need of a higher level of coordination. HICAP must not only communicate and coordinate among them, but must also demonstrate leadership in the State due to our historical responsibilities in this area.

CDA has a long history of established liaisons with other departments, agencies, and organizations in the federal, State, and local governments, as well as with other community-based organizations. These relationships will need to

be strengthened and expanded with Part D. These include CMS Region IX, Lumetra (QIO), National Heritage Insurance Company (NHIC), the National Association of Elder Law Attorneys, and the federal Administration on Aging (AoA) Region IX. State agencies and organizations include California Public Employees Retirement System; DHS, which is the single-state Medicaid (Medi-Cal) agency; DMHC; CDI; California Association of AAAs; and CHA, which is a state advocacy group and association of HICAP providers. In addition, with new issues facing dual-eligibles, new relationships will be necessary with the State Departments of Mental Health, Developmental Services, Rehabilitation, and Social Services.

CDA participates as a member of the CMC (formerly the Beneficiary Advisory Committee of NHIC). CHA provides support for the CMS and other members including CMS, SSA, California Office of the Patient Advocate, AARP, and many other key consumer-oriented organizations. CMC will be taking on a major role in coordinating among the various new entities providing MMA information in the State.

Local HICAP providers also have liaisons with their respective AAAs and AAA Advisory Councils; local SSA offices; offices of city or county counsels; local libraries; senior centers; local legal services agencies; and United Way organizations. In 2005 we will be encouraging a closer working relationship between HICAP and county Medi-Cal offices regarding Medicaid issues and dual-eligible population needs. Part D will require the local and State relationships between HICAP and the Ombudsman Program to be strengthened

to address facility-based advocacy and counseling needs. In 2005 CDA will launch a new E-Clearinghouse "Activities and Events Calendar." The E-Clearinghouse Calendar will have the capability of having multiple entities add and subtract planned activities and events directly on the web. This allows for real time communications and avoids duplication of effort and confusion over who is doing what in each community at any given time. We have great expectations for its solving many coordination problems, but it will depend on how well each invited member keeps their calendars current.

Referral Process

Accurate referrals are an integral part of HICAP business practices and program responsibilities. CDA and the local HICAP providers have an established process for making referrals to other agencies to assist with beneficiary issues, including I&A providers, CDI, DMHC, SSA, Lumetra, Mutual of Omaha and United Government Services, and local counties, as well as Medicare carriers and intermediaries. For example, California HICAP providers receive training in the eligibility and application process for Medi-Cal and the Medicare savings programs. The HICAP Counselor Handbook explains eligibility requirements so that HICAP Counselors may identify beneficiaries appropriate for referral to the county units responsible for determining Medi-Cal eligibility. HICAP providers have close working relationships with county staff and, consequently, receive timely responses to referrals and inquiries. HICAP providers conduct targeted outreach in neighborhoods with a higher percentage of low-income Medicare beneficiaries. All HICAP providers are required by

contract to have established arrangements for purchasing legal services or for arranging for referral to private attorneys and agencies for legal services.

Through a grant from AoA to CHA, HICAP Managers and staff are cross-trained to recognize and report potential practices and patterns of fraud, waste, and abuse in Medicare. This project – known in California as Senior Counselors Against Medicare Swindlers (SCAMS) – supports HICAP Counselors in making seamless referrals of suspected fraud and abuse for investigation.

Recommendation Process

Obtaining the recommendations and advice from HICAP Managers, Counselors, and consumers are critical components of CDA's quality assurance and continual improvement processes. This feedback is used to modify policies, change training and reference materials, and respond to changing environmental conditions. This feedback will be enhanced with the implementation of Part D.

In 2005 CDA will launch and improve our new electronic E-Clearinghouse and other web-based means of communications, including direct communications with Counselors on the front lines. The E-Clearinghouse will be a tool for HICAP offices to use when providing information and services. It will be accessible 24/7 to access accurate, up-to-date information, on a routine basis. By placing this document on the web, the E-Clearinghouse will be fast, easy to use, and updated on a weekly basis.

The State HICAP office and local HICAPs communicate regularly by telephone and e-mail with appropriate federal, State, and local agencies as issues arise. CDA HICAP staff share issues and concerns as participants in

statewide committees that were formed to provide input on the California Guide to Medicare Supplement Insurance and the California Long-Term Care Insurance Company Rate and History Guide.

CDA HICAP staff also advises the State Executive Branch on consumer issues through analyses of bills introduced by the State Legislature and provides technical assistance to the Legislature on proposed statutes that may affect the Medicare population.

Capability and Commitment

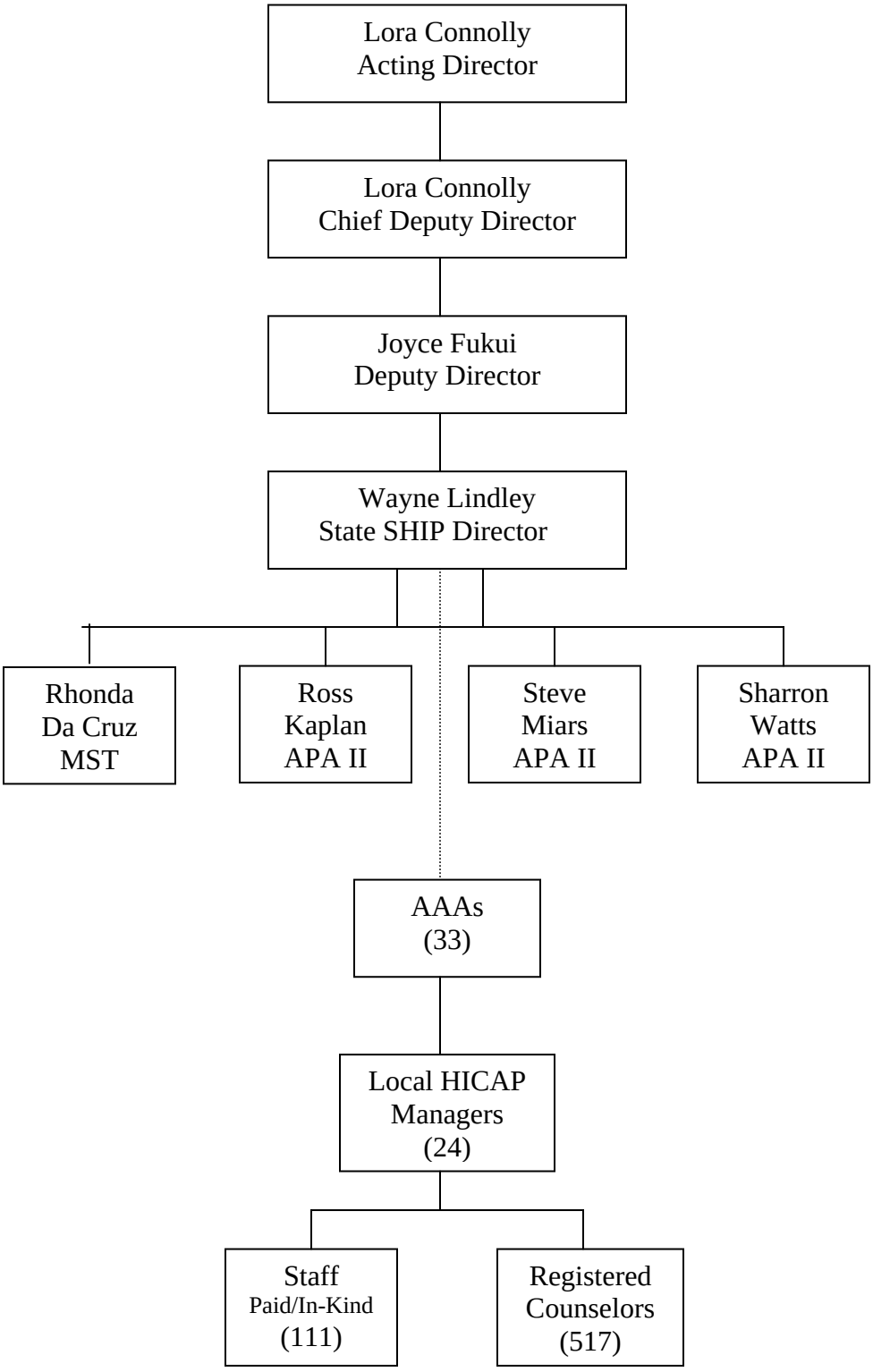
Organizational Structure

CDA is responsible for the statewide administration of California's HICAP. In accordance with provisions of the Older Californians Act, CDA contracts with California's 33 AAAs for oversight and management of the local HICAP programs. There are 26 local HICAP contracts administered by 24 Program Managers, two of whom administer two contracts each. Eleven AAAs have agreed, via Memorandum of Understanding to offer HICAP services through cooperative regional arrangements, covering multiple Planning and Service Areas (PSAs). Regional management assures all 58 counties of California have services provided within the constraints of the funding necessary to support operational costs of 24 HICAP offices. HICAP offices are located in a variety of non-profit and county organizations including AAAs, senior legal services agencies, and senior advocacy services agencies.

The administrative duties of AAAs focus on such issues as re-procurement of contracts for services; daily administration of the local HICAP contract, including contract oversight and monitoring; fiscal and utilization data analysis and reporting; and general fiscal oversight for each local program.

CDA operates in a AAA-Based Team environment. Teams function as the primary link between CDA and the AAAs. The Team is responsible for implementing CDA's Strategic Plan for quality, efficient services and to ensure that all programmatic, fiscal, and regulatory requirements are being implemented in a manner that supports CDA's Mission to provide leadership to the AAAs, particularly in the area of planning. Each AAA-Based Team has members assigned to a HICAP Team with specific responsibilities for technical assistance, monitoring, communicating, planning, coordinating, and training

CALIFORNIA HICAP STRUCTURE



Staff

CDA: Currently, CDA's HICAP Team is budgeted for 2.0 full-time equivalent staff assigned to administration of HICAP. However, actual staff assigned includes the State SHIP-HICAP Director, a portion of time from three Program Analysts and one Data Analyst, and others who coordinate the HICAP toll-free information line and perform fiscal functions on a part-time basis.

Local HICAPs**:** There are 24 local HICAP Program Managers. In addition, there is 111 paid local HICAP staff, and 517 registered HICAP Counselors. Paid staffing at the local HICAPs ranges on average from one and one-half to five full-time employees. For a description of the agency affiliation for local HICAP agencies, please see Attachment A for a list of local HICAPs.

All local HICAPs must assure the provision of adequate personnel to carry out the mandates and responsibilities of the Program. This includes a Program Manager and such paid and volunteer personnel necessary to ensure volunteer supervision, adequate provision of counseling and advocacy services, clerical support, and accomplishment of all other day-to-day activities.

Organization and Staff Experience

CDA**:** The California SHIP/HICAP was established in CDA by State legislation in 1984. It was one of the first thirteen health insurance assistance programs and a model for the national SHIP established in 1990. Current State HICAP staff have over 100 years of combined experience in areas related to the Program.

Wayne Lindley, State SHIP Director, has 32 years of experience in the aging services field, 28 of them with CDA. Mr. Lindley was State HICAP Director for the first ten years from 1987 through 1997. He participated in the development of national standards for similar benefits counseling programs under the federal Partnership for Health Insurance Counseling Model Program. This was the foundation for SHIPs today. He helped negotiate HICAP's relationship with the California Partnership for Long-Term Care, a joint public and private long-term care insurance program in California. In 1990, Mr. Lindley testified before the Senate Committee on Finance, Subcommittee on Medicare and Long-Term Care on the benefits of SHIP counseling. He has BA in Political Science and has two years of post-graduate work in Public Administration.

Rhonda Da Cruz, Management Services Technician, has four years of experience assisting with the development, operation, and maintenance of the California's SHIP/HICAP database. She provides technical assistance on data reporting to local HICAP staff and has assisted with training local HICAP Managers on data collection and reporting requirements. Ms. Da Cruz has 15 years experience in State human services programs.

Ross Kaplan, M.A., Aging Programs Analyst II, joined the HICAP Team in 1999. Mr. Kaplan has over 28 years of experience in health care and aging services. Prior to joining the HICAP Team, Mr. Kaplan negotiated hospital and physician contracts for a preferred provider network and is knowledgeable about managed care operational issues. His particular focus on the HICAP Team has

been on coordinating training events and monitoring local HICAP operations for compliance with core program elements.

Steve Miars, Aging Programs Analyst II, has over thirty-one years of experience as a public servant, including 21 years of service with CDA. Mr. Miars has extensive experience in grants and contracts development, program and fiscal systems compliance, policy development, and legal research. Mr. Miars currently serves as the HICAP Team Lead.

Sharron Watts, M.P.A, Aging Programs Analyst II, has 28 years experience as a public servant with the State of California, 16 with CDA. Ms. Watts' focus in state service has been on community programs serving older persons, particularly persons with Alzheimer's disease and their caregivers. She has particular expertise in cultural competency and diversity and serving hard to reach populations. Ms. Watts joined the HICAP Team in July 2003. Ms. Watts' particular focus on the HICAP Team is on long-term care and information dissemination through the electronic clearinghouse and serves as the California SHIP LLLC Coordinator.

<u>Staff Training Program</u>

CDA is mandated by the California State Legislature to set statewide requirements for registration and training of HICAP Counselors. This includes approval of Counselor Information Forms submitted by HICAP Program Managers for each new Counselor. Furthermore, CDA maintains a listing of all active status registered counselors statewide. The listing is reconciled annually with revisions and changes from the local HICAP Program Managers.

The operational procedure for HICAP Counselor registration is delineated in the HICAP Program Manual, Section 106, as revised April 2002. Incoming Counselors must receive 24 hours of training covering each Chapter I through XI in the HICAP Counselor Handbook distributed by CDA. Evidence of competence with the Handbook information is necessary to complete registration. In addition to the above noted training, Counselors must complete a minimum ten-hour internship under the supervision of a registered Counselor. All Counselors wishing to continue their active status must receive continuing 12 hours of training annually.

In 2005 CDA will provide training on the MMA and Part D to all 517 registered counselors, including all Program Managers, no later than July 31, 2005. Training will be offered as a combination of regional training and training conducted by Program Managers through Train-the-Trainers methods. The outcome of the training will be that Counselors will be able to counsel and provide enrollment assistance to beneficiaries on the new choices and benefits created by MMA Part D.

As a supplemental reference book for all Counselors on the local level, CDA will provide for the updating and revision of the HICAP Counselor Handbook. This is the primary reference used at all local HICAP sites for training and counseling. A new Chapter XII on the MMA Prescription Drug Plans will be added and used in the training sessions. It will include information on the new standard Medigap plans and the standards adopted in California that may vary

from the federal standard. A plan will be developed to maintain the Handbook as further updates and revisions become necessary annually.

CDA HICAP staff receives training in Medicare, MMA, and other new developments through several sources. Staff attends the annual CMS REACH Train-the-Trainer sessions held every year in San Francisco. Also, staff participates in CMS Open Forum calls; Health Assistance Partnership monthly calls and other conference calls; web presentations from Kaiser Foundation; and other reliable sources as needed. Additionally, they review the information available on the Medicare.gov website including Medicare Fact Sheets, Issue Papers, and Training modules. Particularly close attention is given to review of the MMA regulations published in January 2005.

HICAP Budget

Unfortunately, due to differing federal grant cycles and State budget cycles, the majority of 2005 SHIP MMA Supplemental support will not become available for expenditure at the local program service level immediately. The effective CMS grant date is April 1, 2005 through March 31, 2006, which contrasts with the State program budget and contract cycle that runs from July 1, 2005 to June 30, 2006. State Planning Estimates are prepared and sent to AAAs in January. AAAs develops Budgets for State review and approval. CDA then develops contracts to be sent to AAAs in April. AAAs must have local Board review and approval, and then return contracts by mid to late June. Due to this budget and contract process, new funds made available in April will not be available for local programs until approximately February. It would be preferable

to have the SHIP Grant cycle the same as all other federal cycles (October 1 through September 30).

The HICAP budget is made up of three major funding streams: 1) fees assessed on Managed Care Plans (the HICAP fund); 2) CDI collected fees (the Insurance Reimbursement Fund); and (3) CMS federal funds (SHIP Grant). The majority of funding for the Program is from non-federal funds, as explained below.

Non-Federal Funds

CDA is required by California law to assess and collect fees on Medicare supplement contracts, including Medicare Select contracts and Health Maintenance Organizations (HMOs). The maximum fee assessment amount is $1.20 for each Medicare Beneficiary enrolled in a Medicare HMO or Medicare Supplement contract. Additionally, California law provides that funding for HICAP maintain a ratio of two dollars collected from the CDI Fund (Reimbursement Fund) to every dollar collected from assessments. These funds are to be used to provide Medicare beneficiaries and those imminent of becoming eligible for Medicare with counseling and advocacy as to Medicare, private health insurance, and related health care coverage plans on a statewide basis and preserving service integrity.

Federal Funds

Federal SHIP funds are used to “enhance” the State’s HICAP and execute CMS grant objectives of providing counseling to a greater number of individual beneficiaries; targeted outreach to provide access to counseling to low-income,

dual-eligible, and hard-to-reach populations; increase and enhance the counselor work force; and State participation in CMS education and communication activities.

Federal funds currently represent only 26 percent of total HICAP funding. Please see Table 2: Sources of HICAP Funding and Chart 1: HICAP Funding Percentages, below.

Table 2: Sources of HICAP Funding

State HICAP (Managed Care) Fund	State (Insurance) Reimbursement Fund	Federal SHIP Grant	Federal MMA Supplement Grant	Federal CMS LTC Grant
$1,612,000	**$3,107,000**	**$774,000**	**$765,059**	**$111,163**

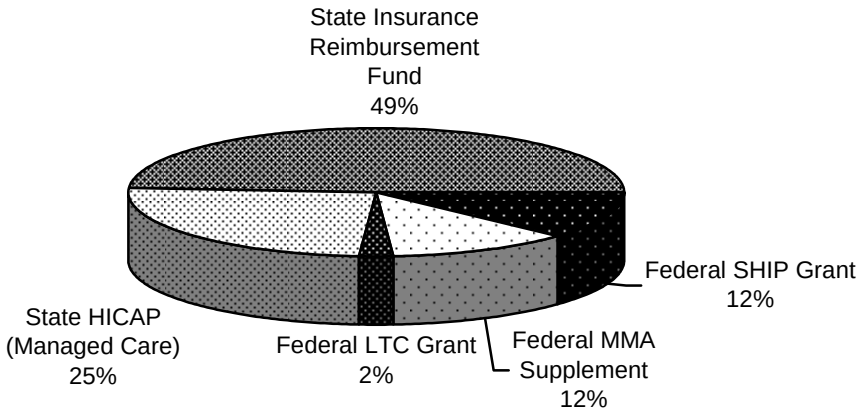


Chart 1: HICAP Funding Percentages

Facilities and Equipment

State Toll-Free Hotline

CDA maintains three major toll-free telephone lines, one for general public inquiries and referrals to services for the elderly and disabled populations; one for long-term care residents to make complaints to the Long-Term Care Ombudsman Program, and one for California's HICAP (916-800-434-0222). This is the SHIP number for California included in CMS' *Medicare and You* booklet.

The number works by automatically routing calls within county and PSA boundaries to the appropriate local HICAP without the caller encountering any repeat calling ("seamless" routing). The line is available during normal business hours and callers are provided the use of voice mail messages for after hours calls. For out-of-State and other problem call routing, the calls are routed to an "orphan calls" center which then handles immediate issues and refers callers to the local HICAP closest to them for further consultation.

Plans for 2005 include improving this system with added equipment to automate referral features. Special equipment to route callers seamlessly to either Medicare 800 number, the closest HICAP, or to other community-based organizations for continued assistance at a push of a button is envisioned. This will speed up assistance and avoid having callers make additional calls on their own.

CDA HICAP Web Site

This past year, the publicly accessible HICAP services web site on CDA's web site was in the top ten web sites on the State's CDA web site "hit" volume. It

is one of the most frequently visited sites and we have every indication that with the introduction of outreach on the MMA this coming year, the number of visits will only increase. HICAP and Medicare are today's hot spots.

CDA's earliest phases of web development focused on basic information to the public--information about program services and information. In our second phase, CDA is concentrating on building additional sites specifically for our contractors and service providers. In 2005 CDA will expand these information and support sites for HICAP Managers and Counselors. A new E-Clearinghouse will feature an "Events and Activities Coordination Calendar" where CMS, local HICAP providers, and other stakeholders can add events and activities information and keep it up-to-date, directly on-line. All the partners and stakeholders will be able to go to this site to see if duplication is occurring or to see which events and activities may need to be coordinated locally.

Counselor Internet Access

One of our toughest challenges in 2005 will be expanding the number of local locations for counseling services that are web-connected. We do not currently have information on the number of local counseling sites with adequate Internet access, nor do we have adequate statistics on the number of Counselors who are trained and comfortable in using Internet-based counseling and enrollment tools. Our challenge will be to focus resources on this area to rapidly expand our capabilities to use the Internet in the field. Several experiments are underway now that will help us understand where resources need to be focused.

Many senior centers and other community-based organizations do not have high speed connections that are available as needed by HICAP Counselors. In early 2005, we plan to conduct a thorough statewide inventory of such community-based organizations that have and don't have adequate Internet access. This will lead to a feasibility plan for assisting these agencies in obtaining access specifically for HICAP use. The assessment will take into account how many local high traffic sites have access to the Internet and the percentage of those locations without adequate access. In these optimum locations, we may provide the resources for those entities to purchase access upgrades and/or installments or necessary lines and equipment. Additionally, we will be focusing on more training for Counselors in the use of laptop computers and Internet tools, especially CMS web sites such as PDAP.

Further, we intend to explore in 2005 the automating of all out-stationed counseling functions, including automated forms and reporting so that Counselors can simply download data to local headquarters and explore keeping manuals and other helpful tools on their laptops for easy access when assisting clients.

Quality Assurance

CDA will take actions in 2005 and beyond to ensure that Medicare beneficiaries in California received accurate, consistent, timely, relevant, and understandable information counseling and assistance. Continual improvement in total program quality is based on examining our performance in four basic areas:

- Counselor training,
- Quality of counseling,
- Quality of referrals, and
- Continual improvement through feedback.

Out first objective is to update and improve the HICAP Counselor's Handbook, the most important field tool for HICAP Counselors. Not only are all Chapters being updated, we are adding a new Chapter specifically on Part D. This will be accompanied by training all registered Counselors on Part D before July 31, 2005. Additionally, the Handbook will be made available on our CDA HICAP web site.

Our second objective will be to develop an examination and self-check survey on our web site for registered Counselors to use at any time. These tools will be designed to monitor the quality of training and education of Counselors.

A third objective will be use of the Counselors themselves in the quality improvement process by opening communication channels via our E-Clearinghouse. Counselors will have ongoing access to the State HICAP office to provide feedback on the quality of training and educational support by the State.

Our fourth objective will be to improve the existing data collection and reporting system and to provide data feedback to our local HICAP providers and AAAs. We will work with our Program Managers on making further recommendations to the State and CMS on measuring HICAP performance, the accuracy of counseling, and outcomes. We also want to pursue a mutually

beneficial standard client satisfaction instrument with CMS that also meets State and local needs and is consistent in use from program to program. We will start by making recommendations based on CMS' previous survey and an inventory of existing local satisfaction surveys.

Conflict of Interest Safeguards

CDA sets forth a strict "conflict of interest rule" in Counselor agreements. Contract language exists to assure that project staff and volunteers do not engage in the solicitation of insurance, nor endorse any Medicare supplement, long-term care or other insurance policies or plans, nor endorses the services of any insurer or managed care plan, claims processing organization or other enterprise that could benefit from activities conducted by HICAP. All project staff and volunteers must provide HICAP educational services in a manner that is objective and impartial and provide counseling consistent with the best interests of the clients and which preserves the independent decision-making responsibilities of the client.

Business relationships are also covered in our agreements with agencies and Counselors. There is contract language to assure that the project, project staff, and volunteers will not have a conflict of interest such as, but not limited to, a business relationship with insurers, health plans or organizations posing a conflict of interest. The Contractor must assure that project staff and volunteers do not accept money or gifts from the clientele in exchange for services in accordance with CDA guidance on conflict of interest and the HICAP Program Manual.

Further, CDA rules address even the “appearance of impropriety.” Regardless of actual impropriety, the contract language states contractors must take all reasonable and necessary measures to assure that advisors, employees, and volunteers associated with the operation of HICAP agree to act in a manner so as to prevent the appearance of impropriety or any other act which would place in jeopardy HICAP's reputation as an independent and impartial program. The Contractor must assure that advisors and governing board members will recuse themselves from HICAP business if they are employed by, or receive compensation from, the health insurance agencies or managed health care industries.

Partnership Development

CDA’s strategy and activities to identify and develop partnerships to expand the Program’s capacity to provide information counseling and assistance include first working with our newly reconstituted CMC, which includes CMS, SSA, CHA, and community organizations.

Partnerships with community-based organizations have been more difficult, especially due to the increased number of contracts with CMS. The Access to Benefits Coalition, Olgivy contractors, etc., poses challenges because they are fast paced and often tend to overlap outreach activities to the same or similar hard-to-reach populations. Except for CMS and CMC, there are no mechanisms for coordinating the work of all these entities. This year, CDA HICAP will make a concerted effort to bring these partnership coordination issues to the CMC for resolution. Additionally, we will make available on our web site

E-Clearinghouse our electronic events and activities coordination calendar, where each partner will be given a code to enter and subtract activity information on a 24-hour, seven-days-a-week basis.

Serving Special Needs Group

We will address the information counseling and assistance needs of all groups, with an emphasis in 2005 on assisting individuals designated as "hard-to-reach". Barriers to accessing health information due to language, location, culture, those classified as low-income, and dual-eligible beneficiaries range from developing methods to identify persons of low-income to addressing cultural traditions prohibiting ethnic populations from seeking information and assistance. We plan to collaborate with other organizations including CMS, Health Assistance Partnership, and CHA to develop strategies for addressing barriers, schedule and conduct outreach events targeting the hard-to-reach populations, and train existing counselors in the area of cultural competency and diversity.

To reach and then provide information and services to California's diverse populations continues to be an enormous challenge. Cultural traditions and beliefs, language and literacy barriers, stigmatism, and lack of trust of the health care system represent a portion of the major issues that must be addressed before the hard-to-reach beneficiaries can receive the information required to assist them obtain entitled benefits.

To meet these challenges, many of the HICAP Counselors have the ability to speak several languages. Specifically, of the current 517 volunteer counselors, 19 percent are fluent in Spanish, 5.5 percent speak French, and 3.3 percent communicate in German. Other languages spoken include Chinese, Mandarin, Japanese, Greek, Tagalong, Rumanian, Cantonese, Polish, Vietnamese, Italian, Hungarian, Portuguese, Cherokee, Russian, Hebrew/Yiddish, and Latin.

However, merely speaking the language without understanding the cultural traditions and beliefs may render attempts to assist ethnicities unsuccessful. Many cultures distrust the health care system and do not adhere to instructions for accessing services and benefits. Therefore, recruiting counselors representing the various ethnicities may alleviate much of the skepticism associated with diverse populations seeking outside information and utilizing available services.

The measurable outcome is to increase the number of volunteer Counselors that are culturally astute and able to communicate in various languages in a culturally appropriate manner, in order to increase the number of the hard to reach beneficiaries counseled.

Publications

HICAP currently only produces one publication at this time. HICAP maintains a publication used by HICAP providers and insurance companies and their agents that sell long-term care insurance policies. California law requires this flagship booklet, *Taking Care of Tomorrow: A Consumer's Guide to*

Long-Term Care, be provided to every prospective buyer of long-term care insurance in California. CDA collaborates on updates with DHS Office of the Partnership for Long-Term Care, a consortium of private long-term care insurers and the State of California.

In all other circumstances, HICAP uses CMS publications and Fact Sheets produced by CHA. Those facts Sheets can be reviewed on line at www.cahealthadvocates.org/facts/index.html (See Attachment B). HICAP places notices of newly issued CMS publications on its E-Clearinghouse web site.